

AMENDED IN ASSEMBLY APRIL 22, 2014

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

ASSEMBLY BILL

No. 2348

Introduced by Assembly Member Stone

February 21, 2014

An act to add Chapter 4.3 (commencing with Section 39740) to Part 2 of Division 26 of the Health and Safety Code, relating to greenhouse gases.

LEGISLATIVE COUNSEL'S DIGEST

AB 2348, as amended, Stone. Natural Resources Climate Improvement Program.

The California Global Warming Solutions Act of 2006 designates the State Air Resources Board as the state agency charged with monitoring and regulating sources of emissions of greenhouse gases. The state board is required to adopt a statewide greenhouse gas emissions limit equivalent to the statewide greenhouse gas emissions level in 1990 to be achieved by 2020. The act authorizes the state board to include use of market-based compliance mechanisms. Existing law requires all moneys, except for fines and penalties, collected by the state board from the auction or sale of allowances as part of a market-based compliance mechanism to be deposited in the Greenhouse Gas Reduction Fund and to be available upon appropriation. Existing law requires the Department of Finance, in consultation with the state board and any other relevant state agency, to develop, as specified, a 3-year investment plan for the moneys deposited in the Greenhouse Gas Reduction Fund.

This bill would establish the Natural Resources Climate Improvement Program, which would be administered by the ~~state board~~ *Natural*

Resources Agency, in coordination with the Natural Resources Agency state board, to assist in the development and implementation of highly-leveraged, regionally integrated natural resources projects selected by state conservancies and the Wildlife Conservation Board that maximize greenhouse gas emissions emission reductions or sequestration. This bill would authorize moneys from the Greenhouse Gas Reduction Fund to be available, upon appropriation by the Legislature, to the state board to implement the Natural Resources Climate Improvement Program.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

SECTION 1. Chapter 4.3 (commencing with Section 39740) is added to Part 2 of Division 26 of the Health and Safety Code, to read:

CHAPTER 4.3. NATURAL RESOURCES CLIMATE IMPROVEMENT PROGRAM

39740. (a) ~~The~~ *It is the intent of the Legislature, in enacting this chapter, to establish a program that creates guidelines for use by the state conservancies and the Wildlife Conservation Board of cap and trade auction revenues in the Greenhouse Gas Reduction Fund for the purpose of investing in natural resources projects that maximize greenhouse gas emission reductions or sequestration.*

(b) ~~The~~ *The Natural Resources Climate Improvement Program is hereby established and, which shall be administered by the state board, in coordination with the Natural Resources Agency, in coordination with the state board, to assist in the development and implementation of highly-leveraged, regionally integrated natural resources projects, selected by the state conservancies and the Wildlife Conservation Board, that maximize greenhouse gas emissions emission reductions or sequestration.*

(b)
(c) ~~Moneys from the Greenhouse Gas Reduction Fund shall be available, upon appropriation by the Legislature, to the state board to implement this chapter.~~

1 39741. (a) The *Natural Resources Agency*, in coordination
2 with the state board, ~~in coordination with the Natural Resources~~
3 ~~Agency~~, shall develop guidelines for the implementation of this
4 chapter consistent with the California Global Warming Solutions
5 Act of 2006 (Division 25.5 (commencing with Section 38500))
6 and the Greenhouse Gas Reduction Fund Investment Plan and
7 Communities Revitalization Act (Chapter 4.1 (commencing with
8 Section 39710)).

9 (b) The guidelines adopted pursuant to subdivision (a) shall do
10 all of the following:

11 (1) Ensure that project investments funded pursuant to this
12 chapter utilize consistent accounting and modeling approaches to
13 estimate and monitor greenhouse gas emissions and reductions
14 over time.

15 (2) Promote innovative natural resources projects that protect
16 existing greenhouse gas ~~emissions~~ *emission* sinks or assist with
17 the enhancement of other climate-related projects in the
18 transportation and energy sectors that can be replicated regionally.

19 (3) Promote projects based on the potential to increase climate
20 benefits and reduce extreme weather events, including, but not
21 limited to, the risk of fire, flood, water supply *disruption*, sea level
22 rise, and urban heat island effect associated with climate change.

23 (4) Promote projects that assist the state in reaching its climate
24 goals beyond 2020, consistent with Sections 38550 and 38551.

25 (5) Prioritize projects that are consistent with, and assist in, the
26 implementation of county or regional ~~land use~~ greenhouse gas
27 ~~emissions~~ *emission* reduction plans or programs, including, but
28 not limited to, any of the following:

29 (A) A sustainable communities strategy.

30 ~~(B) A local or regional plan to reduce greenhouse gas emissions.~~

31 ~~(C)~~

32 (B) A local or regional climate adaptation plan.

33 ~~(D)~~

34 (C) A natural community conservation plan ~~and or~~ a habitat
35 conservation plan.

36 (6) Ensure projects are consistent with Section 39716.

37 (7) Promote investments in projects that include cobenefits,
38 including, but not limited to, *achieving* state and federal air quality
39 goals.

1 (8) Ensure projects funded pursuant to this chapter maximize
2 moneys appropriated, provide environmental benefits, create jobs
3 for residents, jobs, and do not conflict with other areas of law.

4 (9) Promote the use of the best climate science and greenhouse
5 gas emissions *emission* reduction analytics.

6 (10) Promote project consistency with the 2009 California
7 Climate Adaptation Strategy and its most recent update, adopted
8 pursuant to Executive Order S-13-2008.

9 ~~39742. To provide greater coordination among state agencies,~~
10 ~~boards, and departments, the Natural Resources Agency, in~~
11 ~~coordination with the state board, shall do all of the following:~~

12 ~~(a) Provide updates to the Strategic Growth Council on critical~~
13 ~~issues related to climate change.~~

14 ~~(b) Identify and notify state conservancies and the Wildlife~~
15 ~~Conservation Board regarding major infrastructure projects that~~
16 ~~would impact project planning and implementation.~~

17 ~~(c) Identify and conduct climate research to assist with the state's~~
18 ~~understanding on how to reduce or sequester greenhouse gas~~
19 ~~emissions in the natural resources sector.~~

20 ~~(d) Promote state implementation of the Climate Adaptation~~
21 ~~Strategy, adopted pursuant to Executive Order S-13-2008.~~

22 ~~(e) Provide technical assistance grants to project applicants from~~
23 ~~disadvantaged communities applying for funding from the state~~
24 ~~conservancies or the Wildlife Conservation Board.~~

25 ~~39743.~~

26 ~~39742. (a) State conservancies and the Wildlife Conservation~~
27 ~~Board shall identify, develop, and implement projects within their~~
28 ~~jurisdictions consistent with the guidelines developed pursuant to~~
29 ~~this chapter, including, but not limited to, any of the following:~~
30 ~~chapter. The projects may include:~~

31 (1) Management and restoration of public lands to increase
32 carbon sequestration and reduce greenhouse gas emissions.

33 (2) ~~Development and implementation of projects and programs~~
34 ~~that encourage or provide incentives for increased~~ *Increased* carbon
35 sequestration or reduced greenhouse gas emissions related to the
36 use or management of natural resources on private lands.

37 (3) ~~Provide incentives for the protection~~ *Protection* of
38 agricultural and open-space lands to reduce greenhouse gas
39 emissions and preserve carbon sequestration potential.

(4) ~~Fund investments in projects that use~~ *Use of* natural systems, including, but not limited to, forests, wetlands, sustainable agriculture, and urban forests, to reduce greenhouse gas emissions or increase the sequestration of carbon to mitigate the impacts of greenhouse gas emissions and create greater climate resiliency.

(5) ~~Fund the research~~ *Research* and development of methods to increase carbon sequestration and decrease greenhouse gas emissions related to the use and management of natural resources and of methods to measure and verify these climate benefits.

(6) ~~Encouraging the diversion~~ *Diversion* of organic waste to bioenergy and composting.

(b) In evaluating potential projects to be funded pursuant to this chapter, the state conservancies and Wildlife Conservation Board shall give priority to projects that demonstrate one or more of the following characteristics:

(1) Regional implementation.

(2) The ability to leverage additional public and private funding.

(3) The potential for cobenefits or multibenefit attributes.

(4) The potential for the project or program to be replicated.

(5) The use of existing programs.

~~(6) Consideration of geographic and socioeconomic issues.~~

39743. To provide greater coordination among state agencies, boards, and departments, the Natural Resources Agency, in coordination with the state board, shall do all of the following:

(a) Provide updates to the Strategic Growth Council on critical issues related to climate change.

(b) Identify and notify state conservancies and the Wildlife Conservation Board regarding major infrastructure projects that would impact project planning and implementation.

(c) Identify and conduct climate research to assist with the state's understanding on how to reduce or sequester greenhouse gas emissions in the natural resources sector.

(d) Promote state implementation of the Climate Adaptation Strategy, adopted pursuant to Executive Order S-13-2008.

(e) Provide technical assistance grants to project applicants from disadvantaged communities applying for funding from the state conservancies or the Wildlife Conservation Board.